



United States Department of State

Washington, D.C. 20520

FEB 12 2018

Case No. F-2017-14208
FBI FOI/PA No. : 1343457-000
Ref: Bosworth, Stephen Warren

Michael Best
MuckRock
Dept MR 23395
PO Box 55819
Boston, MA 02205-5819

Dear Mr. Best:

I refer to your request dated January 12, 2016, to the Federal Bureau of Investigation, which was referred to the Department of State on July 25, 2017, for the release of certain material under the Freedom of Information Act (Title 5 USC Section 552). Of the relevant documents retrieved in response to your request, two were considered to be of primary interest to the Department of State, and were therefore referred to us for appropriate action.

We have determined that both may be released with excisions. All released material is enclosed.

In some cases, two or more exemptions may apply to the same document. In the case of a document released in part, all non-exempt material that is reasonably segregable from the exempt material has been released.

As all withholdings were made at the request of the FBI, you may appeal this determination by writing within 90 days to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, DC 20530-000. The FOI/PA Request Number (FBI FOI/PA# 1343457-000) should be cited in any correspondence, and the envelope and letter should be clearly marked "Freedom of Information Appeal."

Alternatively, you may submit an appeal through OIP's FOIAonline portal by creating an account on the following website:

<https://foiaonline.regulations.gov/foia/action/public/home>.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric F. Stein". The signature is fluid and cursive, with the first name "Eric" being more prominent and the last name "Stein" following in a similar style.

Eric F. Stein, Director
Office of Information Programs and Services

Enclosures:

As stated.



United States Department of State
Washington, D.C. 20520

RELEASE IN PART
B7(C),B6

March 19, 1984

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[Redacted]
Special Assistant - Security
Room 84
Old Executive Office Building
Washington, D.C. 20500

MAR 22 1984

b6
b7C per FBI

Dear [Redacted]:

Stephen W. Bosworth, who was born December 4, 1939 at Grand Rapids, Michigan, is being considered for a Presidential appointment. It is understood that FBI inquiries were completed in June 1982 at the direction of the White House.

It would be appreciated if you would ask the Bureau to furnish this office with a copy of its reports concerning him.

Sincerely,

DC Fields

David C. Fields
Deputy Assistant Secretary
for Security

REVIEW AUTHORITY: Robert Homme, Senior
Reviewer

161-16462-16

Recd from WH
Summary memorandum dated
6-23-82 furnished to
State on 3-19-84.

NOTED
3 MAR 23 1984

ADDITIONAL TO RELEASE

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ADDITIONAL TO RELEASE

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RELEASE IN PART B7(E)

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 ACTION EAP-00

INFO	LOG-00	NP-00	AGRE-00	AID-00	ACQ-00	CA-02	CEA-01
	CTME-00	C-00	DOEE-00	ITCE-00	DOIE-00	SRPP-00	DS-00
	EB-00	EXME-00	E-00	FAAE-00	FBIE-00	UTED-00	VC-00
	FRB-00	H-01	TEDE-00	INR-00	IO-00	ITC-01	LAB-01
	L-00	VCE-00	AC-01	NSAE-00	NSCE-00	OCS-03	OES-01
	OIC-02	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00
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USDOC WASHDC

REVIEW AUTHORITY: Robert Homme, Senior Reviewer

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CIA WASHDC//DDI/OEA//

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JOINT STAFF WASHDC

DIA WASHDC//DB-Z//

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AMCONSUL HO CHI MINH CITY

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DEPT FOR EAP/K, INR/EAP/K AND INR/IL/P

TREASURY FOR OASIA/JEWELL

USDOC FOR 4430/IEP/OPB/EAP/WGOLICKE

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STATE PASS DQL/ILAB SUDHA HALEY
STATE PASS USTR FOR PHILLIPS/LATIMER
HO CHI MINH CITY FOR DPO ERIC JOHN

E.O. 12958: N/A

TAGS: PGOV, PREL, MARR, ECON, KS, US

SUBJECT: DAILY SEOUL PRESS TRANSLATIONS, JULY 11, 2000

EDITORIALS

1. STABILITY ON THE KOREAN PENINSULA AND MISSILE TALKS
2. SPECIAL ATTENTION TO NORTH KOREA-U.S. MISSILE TALKS
3. OUR VIEW OF NMD
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FEATURES

5. SPATE OF BOSWORTH'S ACTIVITIES
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7. STATE DEPARTMENT'S LINEUP FOR KOREA TO BE SHUFFLED
8. RULING PARTY EXERTS PRESSURE ON FOREIGN AFFAIRS-TRADE MINISTRY REGARDING ITS MEMBERS' ATTENDANCE AT U.S. REPUBLICAN PARTY NATIONAL CONVENTION
9. WILL ESTABLISHMENT OF "DEVELOPMENT BANK" FOR AID TO

NORTH KOREA BE FEASIBLE?

10. KOREAN PENINSULA AND WMD LIKELY TO BE HOT TOPIC AT G-7

IN OKINAWA

11. SOFA REVISION TALKS WILL BEGIN EARLY NEXT MONTH: AMB.

BOSWORTH

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TOP HEADLINES

CHOSUN ILBO, DAHAN MAEIL

BANK UNIONS' STRIKE: LAST-DITCH NEGOTIATIONS CONTINUED
THROUGH THE NIGHT

JONG-ANG ILBO, DONG-A ILBO, HANKOOK ILBO

GOVERNMENT-BANK UNIONS TALK: RESOLUTION COULD COME

HANKYOREH SHINMUN.

BANK STRIKE SET FOR TODAY

SEGYE ILBO

BANK STRIKE ON THE WAY

DOMESTIC DEVELOPMENTS

- U.S. WANTS ROK TO GIVE UP JURISDICTION OVER LIGHT CRIMES, IN EXCHANGE FOR RIGHTS TO SECURE PHYSICAL CUSTODY OF USFK SUSPECTS OF SERIOUS CRIMES AT THE TIME OF INDICTMENT, ACCORDING TO MOFAT MINISTER LEE JOUNG-BINN, WHO SPOKE AT NATIONAL ASSEMBLY COMMITTEE JULY 10. UNDER THE SOFA REVISION DRAFT PRESENTED BY THE U.S., THE U.S. WISHES TO RETAIN RIGHTS TO REQUEST THAT ROK TURN OVER USFK SUSPECTS IN ROK CUSTODY BACK TO USFK IN CASE THE SUSPECTS' RIGHTS ARE SERIOUSLY VIOLATED (ALL). SOFA IS TO BECOME "EVEN MORE UNFAIR" UNDER U.S. REVISION DRAFT (HANKYONG SHINMUN); MUCH OF U.S. DRAFT IS "UNACCEPTABLE," ROKG OFFICIAL SAYS (CHOSUN ILBO).

- DAEHAN MAEIL * INTERVIEW WITH AMB. BOSWORTH: SOFA REVISION

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TALKS ARE TO RESUME NEXT MONTH; U.S. IS TO ASK KOREA TO GIVE UP JURISDICTION OVER LIGHT CRIMES FOR CUSTODY AT INDICTMENT (DAEHAN MAEIL)

- AMB. BOSWORTH VISITS PRIME MINISTER LEE HAN-DONG JULY 10; HE SAYS THAT NORTH KOREA IS TO BECOME LESS OF A BURDEN TO SEOUL IF SEOUL SUCCESSFULLY RESTRUCTURES ITS FINANCIAL SYSTEM (DAEHAN MAEIL)

- AMB. BOSWORTH HAS INCREASED CONTACTS WITH ROK POLITICAL LEADERS, INCLUDING GNP PRESIDENT LEE HOI-CHANG AND SUN YOUNG-HO OF MDP. THE AMBASSADOR, WHO IS SCHEDULED TO SPEAK AT A NATIONAL ASSEMBLY-AFFILIATED INSTITUTE, WANTS TO HEAR THE OPINIONS OF VARIOUS ROK LEADERS ABOUT KOREA AFTER RECENT SUMMIT. (CHOSUN ILBO)

INTERNATIONAL NEWS

- IN KUALA LUMPUR, MALAYSIA, U.S.-NORTH KOREA MISSILE TALKS CONTINUE; THE U.S. ASKS THE NORTH TO STOP MISSILE SALES ABROAD AND TERMINATE DEVELOPMENT OF LONG-RANGE MISSILES (DONG-A ILBO, HANKYOREH SHINMUN)

- KOREA AND NMD ARE TO BECOME KEY ISSUES AT OKINAWA C-0 SUMMIT (HANKYOREH SHINMUN)
- CLINTON STILL WANTS TO MAKE DECISION ON NMD THIS SUMMER DESPITE INCREASED PUBLIC OPPOSITION TO THE SYSTEM, SECRETARY OF STATE ALBRIGHT TELLS ABC JULY 9 (HANKOOK ILBO)
- U.S. STATE DEPARTMENT OFFICERS BEING RESHUFFLED; DCM CHRISTENSON BACK TO WASHINGTON, EDWARD DONG TO BECOME KOREA DESK OFFICER AND THOMAS HUBBARD TO TAKE POST OF DEPUTY ASSISTANT SECRETARY FOR EAST ASIA (HANKOOK ILBO, SEGYE ILBO)

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EDITORIALS

1. STABILITY ON THE KOREAN PENINSULA AND MISSILE TALKS (DONG-A ILBO 7/11; FULL) (P.5)

THE U.S. IS TO HOLD MISSILE TALKS WITH BOTH NORTH AND SOUTH

KOREA. IT STARTED MISSILE TALKS WITH NORTH KOREA IN KUALA LUMPUR ON JULY 10 AFTER A HIATUS OF 16 MONTHS. MISSILE TALKS WITH SOUTH KOREA ARE SET FOR JULY 14 IN SEOUL.

WE HAVE A SPECIAL INTEREST IN THE MISSILE TALKS, BECAUSE THEY COME ON THE HEELS OF THE FAILURE OF A TEST FOR THE CONTROVERSIAL NATIONAL MISSILE DEFENSE PROGRAM.

THE MAIN AGENDA ITEM FOR THE KUALA LUMPUR MEETING WILL BE NORTH KOREA'S DEVELOPMENT AND EXPORTS OF MISSILES. NORTH KOREA HAS DECLARED A MORATORIUM ON MISSILE-FIRING TESTS.

THE U.S. IS TO IMPOSE RESTRICTIONS ON NORTH KOREA'S MISSILE DEVELOPMENT AND EXPORTS FOR ITS WORLD STRATEGY AGAINST THE PROLIFERATION OF THE WEAPONS OF MASS DESTRUCTION.

BUT NORTH KOREA IS RESTIVE, ARGUING THAT IT IS A MATTER PERTAINING TO NATIONAL SOVEREIGNTY. IT IS NOT EASY FOR THE TWO SIDES TO FIND A COMPROMISE.

THROUGH THIS COLUMN, WE HAVE ALREADY MADE OUR OPPOSITION CLEAR TO ANYTHING THAT SERVES TO THE RAISE AN ARMS RACE IN THIS PART OF THE WORLD.

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WITH THIS POSITION, WE HAVE URGED NORTH KOREA TO COME INTO

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LINE AGAINST WEAPONS OF MASS DESTRUCTION AND JOIN THE
MISSILE TECHNOLOGY CONTROL REGIME.

PARTICULARLY, A MOOD FOR RECONCILIATION IS IN THE MAKING ON
THE KOREAN PENINSULA FOLLOWING THE HISTORIC INTER-KOREA
SUMMIT. IF NORTH KOREA COMES INTO LINE, IT WOULD BE DULY
APPRECIATED.

FOR THE U.S. PART, IT HAS TO BE MORE POSITIVE IN PROVIDING
ECONOMIC ASSISTANCE IN ORDER TO NORMALIZE RELATIONS WITH
NORTH KOREA.

THE U.S. ALSO HAS TO BE COOPERATIVE DURING MISSILE TALKS
WITH SOUTH KOREA. AT PRESENT, SOUTH KOREA IS "SELF-
REGULATED" FROM PRODUCING MISSILES THAT CAN TRAVEL MORE THAN

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180 KILOMETERS.

THROUGH NEGOTIATIONS WITH THE U.S., SOUTH KOREA PLANS TO INCREASE THE RANGE LIMIT TO 300 KILOMETERS. SOME WORRY THAT THE EXTENSION COULD TRIGGER A MISSILE RACE.

WE THINK THAT THE WORRY IS UNWARRANTED. WE ARE SET TO ABIDE BY INTERNATIONAL NORMS REGARDING MISSILE DEVELOPMENT. THE RANGE EXTENSION IS ONLY A LIMITED MISSILE IMPROVEMENT TO SATISFY OUR OWN DEFENSE NEEDS.

THE U.S. HAS JUST FAILED IN A TEST OF THE NATIONAL MISSILE DEFENSE PROGRAM, SOMETHING WE CANNOT BE INDIFFERENT TO.

THE U.S. ARGUES THAT THE NMD PROGRAM IS TO NEUTRALIZE MISSILE THREATS FROM SUSPICIOUS NATIONS, INCLUDING NORTH

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KOREA. BUT IT IS GENERALLY ACCEPTED THAT IT IS TO HOLD
CHINA AND RUSSIA IN CHECK.

FOR THIS REASON, THE CONTROVERSIAL NMD PROGRAM HAD BETTER BE
RESOLVED THROUGH CONSULTATIONS WITH CONCERNED NATIONS,
BECAUSE THEY HAVE DIFFERENT VIEWS.

THE PROGRAM IS LIABLE TO AMPLIFY CONFLICT BETWEEN THE FOUR
POWERS HAVING STAKES ON THE KOREAN PENINSULA. IT CAN HAVE
NEGATIVE IMPACT.

THE MISSILE ISSUE AND THE NMD PROGRAM SHOULD NOT BE ALLOWED
TO DAMPEN THE INCIPIENT RECONCILIATORY MOOD ON THE KOREAN
PENINSULA. NOW IS THE TIME FOR THE FOUR POWERS TO SHOW
WISDOM.

2. SPECIAL ATTENTION TO NORTH KOREA-U.S. MISSILE TALKS.
(DAEHAN MAEIL 7/11; SUMMARY) (P.7)

NORTH KOREA AND THE U.S. ARE HOLDING THE FIFTH ROUND OF
"MISSILE TALKS" IN KUALA LUMPUR, MALAYSIA BEGINNING JULY 10.

ROBERT EINHORN, ASSISTANT SECRETARY OF STATE FOR
NONPROLIFERATION, AND JANG CHANG-CHON, DIRECTOR GENERAL OF
THE AMERICAN AFFAIRS BUREAU AT THE NORTH KOREAN FOREIGN.

MINISTRY, ARE ATTENDING THE TALKS AS CHIEF DELEGATES OF THE TWO COUNTRIES.

THE TALKS DESERVE SPECIAL ATTENTION IN THAT THEY ARE BEING HELD AFTER THE SUCCESSFUL NORTH-SOUTH KOREA SUMMIT BETWEEN PRESIDENT KIM DAE-JUNG AND NATIONAL DEFENSE COMMITTEE.

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CHAIRMAN KIM JONG-IL IN JUNE.

THIS IS SO, BECAUSE IT IS EXPECTED THAT THE U.S. GOVERNMENT VIEWS OF THE SUCCESSFUL INTER-KOREA SUMMIT AND A CHANGE IN CHAIRMAN KIM'S ATTITUDE TOWARDS THE EASING OF TENSION AND A SETTLEMENT OF PEACE ON THE KOREAN PENINSULA WILL BE REFLECTED IN THE MISSILE TALKS IN SOME FORM.

THERE IS NO DENYING THE FACT THAT FINDING A SOLUTION TO THE NORTH KOREAN MISSILE ISSUE WILL BE A HARD JOB. THIS IS

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ESPECIALLY PERTINENT, BECAUSE THE U.S. HAS EXPRESSED ITS "SERIOUS CONCERN" ABOUT NORTH KOREA'S MISSILE DEVELOPMENT PROGRAM AND SALES OF MISSILES OVERSEAS.

THE NORTH KOREAN MISSILE ISSUE IS A SENSITIVE MATTER THAT CANNOT BE SIMPLY RESOLVED, WHICH IS TO SAY NOTHING OF THE GREATER DIFFERENCES OF VIEWS BETWEEN NORTH KOREA AND THE U.S. OVER THE ISSUE.

THEREFORE, MANY ARE OF THE OPINION THAT IT WILL BE DIFFICULT TO EXPECT ANY REMARKABLE PROGRESS IN THE TALKS CURRENTLY UNDERWAY.

IT HAS BEEN REPORTED THAT THE U.S. WILL COME UP WITH A DEMAND FOR NORTH KOREA TO HALT ITS DEVELOPMENT OF THE TAEPODONG NO. 2 MISSILE WITH AN ESTIMATED RANGE OF 600 KM AND SUSPENSION OF MISSILE EXPORTS ABROAD.

IN RETURN, THE U.S. WILL EXPAND THE SCOPE OF EASING ITS ECONOMIC SANCTIONS AND WILL PROVIDE COMPENSATION FOR LOSSES FROM CURBING MISSILE EXPORTS IN THE FORM OF EXTENDING FOOD

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AID FROM A HUMANITARIAN VIEWPOINT.

IT IS PREDICTED THAT NORTH KOREA WILL REFUSE TO GIVE UP ITS
RIGHT TO DEVELOP, PRODUCE AND DEPLOY MISSILES ON THE GROUNDS
THAT THESE ARE SOVEREIGN MATTERS.

HOWEVER, NORTH KOREA IS LIKELY TO REITERATE ITS PREVIOUS
ASSERTION THAT ITS MISSILE EXPORT ISSUE COULD BE NEGOTIABLE
ON THE PREMISE OF "MONETARY COMPENSATION."

THIS BEING THE CASE, ONE MAY FIND IT HARD TO EXPECT THAT THE
ON-GOING MISSILE TALKS WILL PRODUCE ANY SUBSTANTIAL RESULTS.

NEVERTHELESS, IT WOULD BEHOVE BOTH NORTH KOREA AND THE U.S.
TO TRY TO UNDERSTAND EACH OTHER'S SITUATION FROM THE
STANDPOINT OF "PLACING ONESELF IN THE OTHER'S SHOES."

NORTH KOREA HAS CHOSEN LONG-RANGE MISSILE DEVELOPMENT AND
SALES OVERSEAS AS "A STRATEGY FOR ITS SURVIVAL" WHILE THE
U.S. HAS CLEARLY DEFINED ITS MORAL OBLIGATION TO PLAY "THE

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INTERNATIONAL POLICE ROLE" IN ORDER TO MAINTAIN THE WORLD ORDER.

NONETHELESS, IT IS QUESTIONED WHETHER THE U.S. HAS PRESENTED A JUSTIFICATION FOR MAINTENANCE OF THE WORLD ORDER AS A MEANS OF PURSUING ITS NATIONAL INTERESTS.

WE WOULD LIKE TO GIVE SOME ADVICE TO BOTH NORTH KOREA AND THE U.S.

THERE WOULD BE SOMETHING NORTH KOREA COULD SQUEEZE FROM THE

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U.S. BY ADHERING TO "CLIFF-EDGE TACTICS" IN NEGOTIATIONS WITH THE U.S. BUT THAT WOULD BE NOTHING BUT A WASTE OF NATIONAL STRENGTH.

MOREOVER, IT IS NECESSARY THAT NORTH KOREA SHOULD EXPLICITLY

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DEMONSTRATE ITS INTENTION TO ABANDON LONG-RANGE MISSILE DEVELOPMENT AND MISSILE SALES ABROAD.

THE U.S. NEEDS TO OFFER A HUGE AMOUNT OF ASSISTANCE TO NORTH KOREA ON A QUI PRO QUO BASIS. SUCH AN ACTION WOULD BE ADVANTAGEOUS TO U.S. INTERESTS FROM A LONG-TERM POINT OF VIEW.

IN OUR OPINION, THE ISSUE OF NORTH KOREA'S ENTRY INTO THE *
* MISSILE TECHNOLOGY CONTROL REGIME (MTCR) CAN BE SETTLED BY LINKING IT TO SOUTH KOREA'S DEVELOPMENT OF A MISSILE WITH A RANGE OF 300 KM.

3. OUR VIEW OF NMD (HANKOOK ILBO 7/11; FULL) (P.2)

SINCE THE TEST FOR NATIONAL MISSILE DEFENSE SYSTEM HAS FAILED, SKEPTICISM ABOUT THE COSTLY PROJECT HAS BEEN BUILDING.

SETTING ASIDE THE HEATED DEBATE OVER STRATEGIC AND POLITICAL JUSTIFICATION, ITS TECHNOLOGICAL FEASIBILITY IS DOUBTED. THE TEST FAILURE THIS TIME IS DETRIMENTAL TO THE NMD PROJECT ITSELF.

TWO MINUTES AFTER THE LAUNCH THE INTERCEPTOR MISSILE FELL

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INTO THE PACIFIC. IT FAILED TO SPLIT FROM THE LAUNCHER

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ROCKET. THERE IS TALK THAT THE NMD DIED THEN AND THERE.

BUT THE U.S. IS NOT LIKELY TO DROP THE PROJECT WITH EASE...
NO PRESIDENTIAL CANDIDATE WOULD LIKE TO GENERATE THE
IMPRESSION THAT HE SLIGHTS THE IMPORTANCE OF SECURITY. AS A
RESULT, DEBATES WILL GO ON AND ON.

IN THIS SITUATION, WE NEED TO ALIGN OUR POSITION WITH REGARD
TO THE U.S. SECURITY STRATEGY. THE THEATER MISSILE DEFENSE
AND NATIONAL MISSILE DEFENSE ARE TWO MAJOR PILLARS FOR U.S.
SECURITY.

THERE IS CONFLICT IN SECURITY INTERESTS BETWEEN THE U.S. AND
SOUTH KOREA. ALREADY OUR GOVERNMENT HAS SAID IT WOULD NOT
JOIN THE TMD.

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THIS INDEPENDENT POSITION NEEDS TO BE MAINTAINED TO THE END,
EVEN IN RESOLVING NORTH KOREA'S MISSILE ISSUE.

THE MISSILE DEFENSE NETWORK PROMOTED BY THE U.S. IS IN
VIOLATION OF THE ANTI-BALLISTIC MISSILE (ABM) AGREEMENT IT
SIGNED WITH THE FORMER SOVIET UNION TO PREVENT NUCLEAR WAR.

THE BASIC IDEA OF THE ABM IS THAT IF ONE SIDE HAS A SUE
MISSILE DEFENSE SYSTEM, IT WILL INVARIABLY BE TEMPTED TO
MAKE A PREEMPTIVE STRIKE.

FOR THE PREVENTION OF THE TOTAL DESTRUCTION OF HUMAN BEINGS,
THE U.S. AND THE SOVIET UNION AGREED THAT EACH SIDE SHOULD
HAVE ONLY ONE BASE FOR LAUNCHING A NUCLEAR STRIKE.

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NOW, THE U.S. HAS STARTED BUILDING MISSILE DEFENSE NETWORKS, CITING A POTENTIAL THREAT FROM SUCH NATIONS AS NORTH KOREA AND IRAQ. RUSSIA AND EUROPEAN NATIONS ARE OPPOSED TO THE PROJECT. EVEN IN THE U.S. IT IS NOT WELL ACCEPTED.

IT IS SAID THAT THE U.S. IS PUSHING AHEAD WITH THE NMD PROGRAM WITH CHINA IN MIND, UNDER THE GUISE THAT IT IS DIRECTED AT NEUTRALIZING THREATS FROM SUCH NATIONS AS NORTH KOREA.

IN REALITY, NORTH KOREA'S NUCLEAR CAPACITY IS INFANTILE, POSING NO THREAT TO THE U.S. EVEN THE CHINESE NUCLEAR CAPABILITY IS NOT STRONG ENOUGH TO CONSIDER STRIKING THE U.S. IT IS STILL FAR BEHIND THE LEVEL OF THE FORMER SOVIET UNION.

THEN, WHY DOES THE U.S. ATTEMPT TO BUILD THE CONTROVERSIAL MISSILE DEFENSE NETWORK? IT IS THE GENERAL UNDERSTANDING THAT THE PLAN IS TO ENSURE U.S. INFLUENCE IN ASIA AND THE PACIFIC, WHERE IT IS IN A MARKED DECLINE.

NMD IS WHAT FORMER PRESIDENT REAGAN'S STRATEGIC DEFENSE INITIATIVES (SDI), OR "STAR WARS," WAS TO THE SOVIET UNION FOR THE CONTINUATION OF THE COLD WAR.

THE CLINTON ADMINISTRATION AND THE DEMOCRATIC PARTY ARE PASSIVE ABOUT THE CONSTRUCTION OF THE MISSILE DEFENSE NETWORK. BUT THEY WOULDN'T SCRAP THE PLAN OUTRIGHT, BUT RATHER, LEAVING IT TO A COMPROMISE SOLUTION WITH THE UPCOMING PRESIDENTIAL ELECTION IN MIND.

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GOV. BUSH AND THE REPUBLICAN PARTY ADHERE TO THE PROJECT AS A MAJOR POLICY ITEM.

EUROPEAN MEDIA HAVE SAID IN DERISION THAT THE FINAL DIRECTION OF THE COSTLY PROJECT WILL TAKE SHAPE ONLY AFTER THE ELECTION.

WE NEED NOT RIDE ON THE BANDWAGON WITH THE EUROPEAN MEDIA. BUT THERE IS A NEED TO WATCH DEVELOPMENTS.

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4. FOREIGN CAPITAL'S ADVANCE INTO DOMESTIC MANUFACTURING INDUSTRIES (HANKOOK KYUNGJE SHINMUN 7/11; SUMMARY) (P.2)

THE EVALUATION OF THE RAPIDLY INCREASING ADVANCEMENT OF FOREIGN CAPITAL INTO DOMESTIC MANUFACTURING INDUSTRIES VARIES DEPENDING ON HOW INDIVIDUALS LOOK AT IT.

THIS SITUATION HAS BEEN HELPFUL IN IMPROVING THE NATION'S CREDIT STANDING OVERSEAS AS WELL AS GETTING OVER THE FOREIGN CURRENCY CRISIS. MOREOVER, IT HAS BEEN INSTRUMENTAL IN PROMOTING JOB CREATION AND LEARNING ADVANCED MANAGERIAL SKILLS.

INITIALLY, THE GOVERNMENT ENCOURAGED DIRECT FOREIGN INVESTMENTS IN DOMESTIC MANUFACTURING INDUSTRIES. THE GOVERNMENT WENT AS FAR AS TO PROVIDE FOREIGN ENTERPRISES WITH FUNDS FOR THE DEVELOPMENT OF TECHNOLOGIES.

AS A RESULT, DIRECT FOREIGN INVESTMENTS IN THE COUNTRY INCREASED BY 55 PERCENT TO \$8.5 BILLION IN 1999, UP FROM THE

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\$5.5 BILLION IN 1998.

THOSE DIRECT FOREIGN INVESTMENTS HAVE SHOWN A FAVORABLE TONE DURING THE FIRST HALF OF THIS YEAR WITH \$5.73 BILLION INVOLVING 2,097 PROJECTS.

FOREIGNERS' SHARE IN THE INFORMATION-COMMUNICATION.

SEMICONDUCTOR AND ELECTRONIC FIELDS HAS BEEN ON A STEADY RISE. FOREIGN BUSINESSES HOLD 80 PERCENT IN ALUMINUM, 75 PERCENT IN NEWSPAPER PRINTING AND 50 PERCENT IN OIL REFINERY INDUSTRIES.

THIS IS WHY SOME BUSINESS CIRCLE POCKETS HAVE EXPRESSED SERIOUS WORRY ABOUT THE FUTURE OF THE NATIONAL ECONOMY. PERHAPS DOMESTIC BUSINESSES MAY END UP BEING PURE SUBCONTRACTORS FOR FOREIGN CORPORATIONS IF THE SITUATION IS LEFT UNABATED.

LAST YEAR FOREIGN INVESTED BUSINESSES EARNED \$117 PROFIT OUT

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OF SELLING \$1,000 WORTH OF GOODS. WHEREAS DOMESTIC
BUSINESSES SUFFERED A LOSS OF \$11. THE CAUSE OF THIS
UNDESIRABLE SITUATION NEEDS TO BE CLOSELY AND THOROUGHLY
EXAMINED.

ONE THING THAT THE GOVERNMENT SHOULD TAKE NOTE OF IS THAT
UNDER NO CIRCUMSTANCES SHOULD DOMESTIC BUSINESSES BE
DISCRIMINATED AGAINST.

DOMESTIC ENTERPRISES HAVE UNDERGONE VARIOUS HARDSHIPS AND
ORDEALS DUE TO FINANCIAL DIFFICULTIES AND CORPORATE

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RESTRUCTURING. DISCRIMINATION AGAINST DOMESTIC INDUSTRIES
IS A MAJOR OBSTACLE STANDING IN THE WAY OF FAIR COMPETITION
WITH FOREIGN CORPORATIONS.

IN THIS AGE OF UNLIMITED COMPETITION, CONDITIONS FOR FAIR

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COMPETITION NEED TO BE EQUALLY GUARANTEED TO BOTH FOREIGN
AND DOMESTIC BUSINESSES.

FEATURES

5. SPATE OF BOSWORTH'S ACTIVITIES (CHOSUN ILBO 7/11; FULL)
(P.5)

BY REPORTER PARK TOO-SHIK

U.S. AMBASSADOR STEPHEN BOSWORTH IS NOW BUSY MEETING WITH
LEADERS OF THE RULING AND OPPOSITION PARTIES.

ON JULY 7, HE MET WITH LEE HOI-CHANG, PRESIDENT OF THE
OPPOSITION GRAND NATIONAL PARTY, AND HIS WIFE OVER A MEAL.

ON JULY 10, HE HELD A MEETING WITH THE LEADERS OF THE RULING
MILLENNIUM DEMOCRATIC PARTY, ACCOMPANIED BY THEIR WIVES.

THEY ARE CHAIRMAN SUH YOUNG-MOON, POLICY CHAIRMAN LEE HAE-
CHAN, KWON JUNG-DAL AND REP. YOO JAE-KON, ALL MEMBERS OF THE
GUIDANCE COMMITTEE.

ON JULY 11, HE IS TO MAKE A SPEECH AT A "FORUM FOR SECURITY
AND UNIFICATION" ORGANIZED BY REP. CHO UNG-GYU FROM THE

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OPPOSITION GNP. HE IS TO SPEAK ON THE U.S. POSITION
REGARDING THE OUTCOME OF THE INTER-KOREA SUMMIT.

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A RULING PARTY LAWMAKER SAID AMBASSADOR BOSWORTH HAS
DRASTICALLY INCREASED HIS CONTACTS WITH POLITICAL LEADERS
SINCE THE SUMMIT. THIS SPEAKS WELL OF THE RAPID SITUATIONAL
CHANGE ON THE KOREAN PENINSULA.

THERE IS A VIEW THAT HIS INCREASED ACTIVITIES ARE AIMED AT
AWAKENING POLITICAL LEADERS TO THE STARK REALITY OF THE
DANGER POSED BY NORTH KOREAN NUKES AND MISSILES.

BUT IT IS A PREVAILING VIEW THAT HE IS DOING MORE LISTENING
THAN SPEAKING ABOUT VARIOUS CHANGES AFTER THE SUMMIT.

HOWEVER, AN OFFICIAL AT THE U.S. EMBASSY SAID HIS ACTIVITIES

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ARE JUST ROUTINE DIPLOMATIC ACTIVITIES, NOT ANYTHING SPECIAL.

6. RIPPLES OVER U.S. SOFA REVISION DRAFT (DONG-A ILBO 7/11; FULL) (P.5)

BY REPORTERS YOON YOUNG-CHANG & BOD HYUNG-GWON

IN THE FACE OF SOFA REVISION TALKS, THE U.S. SENT A REVISION DRAFT THAT HAS CAUSED RIPPLES, BECAUSE IT DEFILES THE DOMESTIC LEGAL SYSTEM.

THE DRAFT REVEALS A U.S. PLAN TO EXERCISE UNLIMITED CUSTODIAL RIGHTS OVER CRIMINAL SUSPECTS.

FOREIGN MINISTER LEE JOUNG-BINN EXPLAINED THE DRAFT IN A CLOSED-DOOR MEETING OF THE UNIFICATION-DIPLOMACY COMMITTEE

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OF THE NATIONAL ASSEMBLY ON JULY 10.

LEE SAID THE U.S. SIDE HAS ADVISED THAT IT IS READY TO
TRANSFER SERIOUS CRIMINAL SUSPECTS OVER TO KOREAN LAW
ENFORCEMENT AUTHORITIES WHEN THEY ARE INDICTED.

HOWEVER, IT DEMANDS THE RETURN OF THE SUSPECTS IF THEIR
RIGHTS ARE SERIOUSLY INFRINGED UPON. IF THIS DEMAND IS NOT
MET, THE U.S. IS TO SUSPEND THE CONCERNED SOFA PROVISION,
LEE REVEALED.

THIS MEANS THAT U.S. WOULD HOLD THE RIGHT TO DETERMINE
WHETHER SUSPECTS' RIGHTS ARE VIOLATED OR NOT. IF ITS
DEMANDS FOR THE RETURN OF THE SUSPECTS ARE NOT ACCEPTED, IT
IS TO DEFY THE KOREAN JUDICIAL SYSTEM.

IT IS SAID THE U.S. REVISION DRAFT WOULD NOT RECTIFY THE
UNFAIR SOFA BUT WOULD WORSEN IT.

LEE SAID THE U.S. IS READY TO TURN OVER SUSPECTS INVOLVED IN
SERIOUS CRIMES UPON INDICTMENT AS DEMANDED BY THE KOREAN
SIDE. UNDER THE SOFA, THEY ARE TO BE HANDED OVER ONLY AFTER
DECLARED GUILTY BY THE SUPREME COURT.

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IN EXCHANGE FOR EARLY TRANSFER OF CRIMINAL SUSPECTS, THE U.S. IS DEMANDING THAT THOSE INVOLVED IN MISDEMEANORS GO UNTRIED IN DOMESTIC COURTS.

THE U.S. ALSO DEMANDS A LIST OF SERIOUS CRIMES REQUIRING THE TRANSFER OF SUSPECTS TO THE KOREAN SIDE.

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IT ALSO DEMANDS A GUARANTEE FOR SUSPECTS TO HAVE CROSS-EXAMINATION RIGHTS ALONG WITH VICTIMS, AS WELL AS STRENGTHENED PROTECTION OF RIGHTS AT CORRECTIONAL FACILITIES.

LAWMAKERS OF THE RULING AND OPPOSITION CAMPS SAID IN UNISON THAT THE U.S. DEMAND IS THE CULMINATION OF UNFAIRNESS, DEFYING THE JUDICIAL SYSTEM OF THE HOST NATION.

IF SOFA IS TO BE REVISED IN THAT WAY, IT HAD BETTER NOT BE
REVISED.

FRESH FROM THE CLOSED-DOOR MEETING, A LAWMAKER SAID, "IT'S
SHAMEFUL. I FELT INSULTED."

AS LAWMAKERS FRET, IT WAS LEARNED THAT MINISTER LEE
REQUESTED THAT LAWMAKERS NOT MAKE THE U.S. DRAFT PUBLIC,
FEARING THAT IT COULD FAN ANTI-AMERICAN SENTIMENT AMONG THE
PEOPLE.

GIVEN THE U.S. POSITION, PROSPECTS FOR SOFA REVISION ARE
DIM.

7. STATE DEPARTMENT'S LINEUP FOR KOREA TO BE SHUFFLED
(HANKOOK ILBO 7/11; FULL) (P.3)

BY CORRESPONDENT YOON SEUNG-YONG^{*} IN WASHINGTON

TOWARD THE END OF THIS MONTH, THE STATE DEPARTMENT LINEUP
FOR KOREA IS TO BE CHANGED.

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TIMED WITH THE CHANGE, OR A SHEER COINCIDENCE, KOREAN
AMBASSADOR TO THE U.S. LEE HONG-KOO IS TO BE REPLACED WITH
FORMER LAWMAKER YANG SUNG-CHUL.

EVANS REVERE, THE KOREA DESK CHIEF, IS TO ASSUME THE DEPUTY
CHIEF OF MISSION POSITION AT THE U.S. EMBASSY IN SEOUL. HIS
WIFE IS KOREAN. BORN IN NEW YORK, HE STUDIED EAST ASIAN
AFFAIRS AT PRINCETON. HE HAS A COMMAND ON THE KOREAN,
CHINESE AND JAPANESE LANGUAGES.

HIS RELATIONSHIP WITH KOREA DATES BACK TO 1969 WHEN HE WAS
ASSIGNED TO OSAN AIRBASE AS AN AIRMAN. HE GOT ACQUAINTED
WITH A KOREAN WOMAN, AND THEY WERE MARRIED.

WHILE WORKING AS POLITICAL COUNSELOR AT THE U.S. EMBASSY IN
NEW ZEALAND, HE WAS TAPPED TO LEAD THE U.S. LIAISON OFFICE,
WHICH WAS TO BE SET UP IN PYONGYANG ACCORDING TO THE GENEVA
NUCLEAR ACCORD.

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AS THE LIAISON OFFICE WAS NOT SET UP, HE STOOD BY IN SEOUL FOR 15 MONTHS. HE HAS BEEN IN CHARGE OF THE KOREA DESK SINCE LATE 1992.

HIS SUCCESSOR AT THE KOREA DESK IS EDWARD DONG, POLITICAL COUNSELOR AT THE U.S. EMBASSY IN SEOUL. HE IS FIRST THE ETHNIC ASIAN TO ASSUME THE POST. HE IS ETHNIC CHINESE.

HE GRADUATED FROM THE UNIVERSITY OF CALIFORNIA LAW SCHOOL IN BERKELEY. HE STARTED HIS DIPLOMATIC CAREER IN 1978. HE WORKED IN KOREA FOR THREE YEARS SINCE 1984. HE HAS A COMMAND ON GOOD KOREAN AND CHINESE.
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AND RUST DEMING, DEPUTY ASSISTANT SECRETARY FOR EAST ASIAN AND PACIFIC AFFAIRS, IS TO TAKE UP THE AMBASSADORIAL POST IN TUNISIA. HIS VACANCY IS TO BE FILLED BY THOMAS HURBARD, FORMER AMBASSADOR TO THE PHILIPPINES. HE HELD THE POST FIVE

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YEARS AGO.

HUBBARD ARGUED IN FAVOR OF THE ABROGATION OF THE NATIONAL SECURITY LAW IN SOUTH KOREA IN EARLY 1994.

HE IS FROM THE STATE OF KENTUCKY. HE JOINED THE STATE DEPARTMENT WHEN HE GRADUATED FROM ALABAMA UNIVERSITY. EXCEPT FOR A BRIEF STINT WITH OECD, HIS WORK HAS BEEN MOSTLY RELATED TO JAPAN.

IN COOPERATION WITH ROBERT ^{*}GALLUCCI, HE LED THE NUCLEAR NEGOTIATIONS WITH NORTH KOREA. HE VISITED NORTH KOREA SEVERAL TIMES, INCLUDING ONCE IN LATE 1994 FOR THE RELEASE OF A U.S. HELICOPTER PILOT SHOT DOWN NEAR THE DEMILITARIZED ZONE.

^{*}RICHARD CHRISTENSON, DEPUTY CHIEF OF MISSION AT THE U.S. EMBASSY IN SEOUL, IS TO RETURN TO WASHINGTON FOR A ONE-YEAR SABBATICAL AT THE ^{*}U.S. INSTITUTE FOR PEACE (USIP).

8. RULING PARTY EXERTS PRESSURE ON FOREIGN AFFAIRS-TRADE MINISTRY REGARDING ITS MEMBERS' ATTENDANCE AT U.S. REPUBLICAN PARTY NATIONAL CONVENTION (HARROCK ILBO 7/11; SUMMARY) (P.4)

BY ^{*}REPORTER LEE TAE-HEE

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MILLENNIUM DEMOCRATIC PARTY (MDP) STANDING ADVISER RHEE IN-
JE AND SOME OTHER PARTY LAWMAKERS WERE ALLEGED TO HAVE
EXERTED PRESSURE ON THE FOREIGN AFFAIRS-TRADE MINISTRY
REGARDING THEIR ATTENDANCE AT THE U.S. REPUBLICAN PARTY'S
NATIONAL CONVENTION.

THIS EPISODE WAS REVEALED IN A REPORT THAT WAS MADE PUBLIC
ON JULY 10. THE RULING PARTY IS NOW BEING ENGULFED IN
CONTROVERSY OVER THE MATTER.

THE REPORT WAS DELIVERED TO MDP CHAIRMAN ^{*}SUH YOUNG-HOON BY
HIS CHIEF SECRETARY, ^{*}KIM DUCK-BAE, SHORTLY BEFORE THE
PARTY'S CAUCUS WAS HELD AT THE NATIONAL ASSEMBLY ON JULY 10.

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STANDING ADVISER RHEE AND SOME TEN MDP LAWMAKERS PLANNED TO VISIT THE U.S. TO ATTEND THE REPUBLICAN PARTY'S NATIONAL CONVENTION SCHEDULED IN PHILADELPHIA FROM JULY 31 TO AUGUST 3.

HOWEVER, THE REPUBLICAN PARTY FAILED TO SEND INVITATIONS TO THE MDP LEGISLATORS ON THE GROUNDS THAT ONLY THOSE LAWMAKERS OF POLITICAL PARTIES THAT HAVE JOINED THE INTERNATIONAL DEMOCRATIC UNION (IDU) WOULD BE INVITED TO THE EVENT.

LAWMAKERS OF THE GRAND NATIONAL PARTY (GNP) HAVE BEEN INVITED TO ATTEND THE CONVENTION SINCE THE OPPOSITION PARTY HAS JOINED THE IDU.

ACCORDING TO THE REPORT, STANDING ADVISER RHEE REQUESTED FOREIGN AFFAIRS-TRADE MINISTER LE JOUNG-RINN'S COOPERATION.

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A CLOSE AIDE TO STANDING ADVISER RHEE WAS ALLEGED TO HAVE EXERTED PRESSURE ON THE MINISTRY ON JULY 3.

HE BLUFFED, "YOU PEOPLE SAID THAT IN VIEW OF THE CIRCUMSTANCES, IT WOULD BE HARD FOR THE MINISTRY TO DO ANYTHING ABOUT IT. YOU WILL FIND YOURSELVES IN A AWKWARD POSITION IF YOU DON'T COOPERATE."

THE REPORT FURTHER ALLEGED THAT MDP SECRETARY GENERAL KIM OK-DOO ASKED FOR VICE FOREIGN AFFAIRS-TRADE MINISTER RANG NI-MOON'S COOPERATION OVER THE TELEPHONE. KIM SANG-^{*}DOO, CHAIRMAN OF THE MDP'S INTERNATIONAL COOPERATION COMMITTEE WAS ALSO SAID TO HAVE PRESSURED A HIGH-LEVEL MINISTRY OFFICIAL INTO DOING SOMETHING ABOUT HIS PARTY LAWMAKERS.

HOWEVER, STANDING ADVISER RHEE DENIED ALL THESE ALLEGATIONS, SAYING, "THIS MATTER IS BEING HANDLED STRICTLY BY THE PARTY, AND I HAVE NEVER REQUESTED MINISTER LEE'S COOPERATION IN THIS REGARD."

AN OFFICIAL AT THE MINISTRY AVOIDED GIVING A CLEAR ANSWER TO A QUESTION CONCERNING THIS ISSUE. BUT HE EXPLAINED, "THINGS WILL NOT BE PUSHED THROUGH AS THEY THINK ONLY BECAUSE THEY ARE RULING PARTY LAWMAKERS."

A SENIOR MINISTRY OFFICIAL STATED, "I JUST EXPLAINED TO MDP INTERNATIONAL COOPERATION COMMITTEE CHAIRMAN KIM, WHILE HAVING DINNER WITH HIM, THAT IT WOULD BE DIFFICULT FOR THE MDP LAWMAKERS TO ATTEND THE CONVENTION."

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IT HAS BEEN CONFIRMED THAT THE MDP CONTACTED THE REPUBLICAN PARTY THROUGH A SEPARATE CHANNEL AND RECEIVED INVITATIONS FROM THE REPUBLICAN PARTY FOR THOSE PARTY LAWMAKERS TO ATTEND THE NATIONAL CONVENTION.

9. WILL ESTABLISHMENT OF "DEVELOPMENT BANK" FOR AID TO NORTH KOREA BE FEASIBLE? (JOONG-ANG ILBO 7/11; SUMMARY)
(P.8)

BY REPORTER CHOI ^{*}SON-KI

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THE ESTABLISHMENT OF "NORTHEAST ASIA DEVELOPMENT BANK (NEADB)" WITH CAPITAL OF \$10 BILLION HAS BEEN PUBLICLY DISCUSSED. THE BANK IS TO EXTEND ECONOMIC AID TO NORTH KOREA.

IN HIS SPEECH AT THE NATIONAL ASSEMBLY ON JULY 6, ^{*}GRAND NATIONAL PARTY (GNP) PRESIDENT LEE HOI-CHANG MADE MENTION OF THIS MATTER FOR THE FIRST TIME.

LEE SAID, "IT IS NECESSARY TO REVIEW THE POSSIBILITY OF CREATING THE BANK IN ORDER TO RAISE FUNDS REQUIRED FOR AID TO NORTH KOREA."

THIS IDEA WAS FIRST SUGGESTED BY ^{*}REP. LEE HAHN-KOO (GNP). LEE SAID THAT AT LEAST \$10 BILLION IN OPERATIONAL CAPITAL WOULD BE NEEDED TO APPROPRIATELY PROVIDE ECONOMIC ASSISTANCE TO NORTH KOREA.

IT HAS BEEN EXPECTED THAT IF THE BANK REALLY COMES INTO BEING, NOT ONLY KOREA BUT THOSE COUNTRIES INTERESTED IN

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NORTH KOREA -- SUCH AS THE U.S., JAPAN, CHINA, RUSSIA,
AUSTRALIA AND THE EU, WILL CONTRIBUTE MONEY TO THE BANK.

FUNDS CAN BE RAISED BY ISSUING BONDS THROUGH THE
INTERNATIONAL FINANCIAL MARKETS IN NEW YORK AND LONDON.
VOTING RIGHTS WILL BE DECIDED ON IN PROPORTION TO THE MONEY
CONTRIBUTIONS. NORTH KOREA WILL BE ABLE TO JOIN THE BANK AS
A MEMBER.

THE MAJOR BUSINESS TO BE TAKEN CARE OF WILL BE TO ASSIST IN
THE RECONSTRUCTION OF IMPOVERISHED SOCIAL OVERHEAD CAPITAL
(SOC) FACILITIES, SUCH AS PORTS, ROADS, AND COMMUNICATION
NETWORKS IN NORTH KOREA.

IN OTHER WORDS, IF PYONGYANG AUTHORITIES WANT TO CONSTRUCT A
HIGHWAY, SPECIALISTS AFFILIATED WITH THE BANK WILL STUDY AND
ANALYZE THE FEASIBILITY OF THE PROJECT, AS WELL AS DETERMINE
THE AMOUNT OF INVESTMENTS AND LOANS NEEDED.

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BESIDES, ADVANCED MANAGERIAL KNOW-HOW CAN BE TRANSFERRED TO NORTH KOREAN OFFICIALS, TO SAY NOTHING OF THE PROVISION OF TECHNOLOGICAL SUPPORT FOR THEM.

CONCEIVABLE UNDER THE IDEA ALSO IS THAT THE ANNUAL INTEREST RATE WOULD BE AROUND TWO TO THREE PERCENT, AN EXCEPTIONALLY LOW INTEREST RATE AS COMPARED TO THAT ADVANCED TO PRIVATE BUSINESSES.

IT HAS BEEN POINTED OUT THAT THE FOUNDING OF A FINANCIAL INSTITUTION SEPARATE FROM THE EXISTING ASIA DEVELOPMENT BANK (ADB) WILL BE INDISPENSABLE IN FACILITATING THE DEVELOPMENT

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OF THE NORTHEAST ASIAN REGION, INCLUDING NORTH KOREA.

FORMER PRIME MINISTER NAM DUCK-^{*}WOO POSITIVELY AGREED TO THE
IDEA OF INAUGURATING A NEW BANK. HE SAID, "APPROXIMATELY

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\$7.5 BILLION WILL BE NEEDED ANNUALLY TO FINANCE THE DEVELOPMENT OF THE NORTHEAST ASIAN REGION, BUT IN REALITY ONLY SOME \$2.5 BILLION IS TO BE MADE AVAILABLE YEARLY."

HOWEVER, STRONG OPPOSITION TO SETTING UP THE NEW BANK HAS BEEN VOICED WITHIN FINANCIAL CIRCLES.

AN EXPERT ON FINANCIAL AFFAIRS SAID ON CONDITION OF ANONYMITY, "IF A MULTINATIONAL BANK IS TO BE FOUNDED BY DRAWING NORTH AND SOUTH KOREA, JAPAN, CHINA AND RUSSIA INTO IT, IT WILL BE IMPOSSIBLE TO USE THE RAISED MONIES ONLY FOR AID TO NORTH KOREA."

ANOTHER EXPERT HAD THIS TO SAY: "IF AN NEW INTERNATIONAL FINANCIAL INSTITUTION IS TO BE ESTABLISHED, IT WILL TAKE ONE OR TWO YEARS TO LAY THE GROUNDWORK."

HE POINTED OUT, THEREFORE, THAT IT WOULD BE MORE EFFECTIVE TO ESTABLISH TRUST FUNDS EXCLUSIVELY FOR AID TO NORTH KOREA UNDER THE ADB RATHER THAN FOUNDED THE NEW BANK.

NORTH KOREA HAS SHOWN NO REACTION TO THIS IDEA AS OF YET.

10. KOREAN PENINSULA AND AND LIKELY TO BE HOT TOPIC AT G-8 IN OKINAWA (HANKYOREH SHILMUN 7/11; SUMMARY) (P.9)

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BY CORRESPONDENT HAN SUNG-DONG IN TOKYO

THE G-8 SUMMIT IS SLATED FOR JULY 21-23 IN OKINAWA. IT WILL
BE THE LAST SUMMIT OF WORLD'S LEADING POWERS IN THE RECEDING
20TH CENTURY FOR NEW WORLD ORDER IN THE 21ST CENTURY.

DESPITE THE SIGNIFICANCE GIVEN TO THE MEETING, THERE ARE NO
SPECIAL ISSUES.

IF THERE IS ANYTHING ATTRACTING WORLD ATTENTION, IT IS THE
SITUATIONAL CHANGE ON THE KOREAN PENINSULA, THE NMD AND TMD
PROGRAMS OF THE U.S. AND RUSSIAN PRESIDENT PUTIN'S WORLD
DEBUT.

JAPAN IS TO FOCUS ON THE NEW DEVELOPMENTS ON THE KOREAN

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PENINSULA FOLLOWING INTER-KOREA SUMMIT. NORTH KOREA'S
CHANGES AND THE U.S. TROOP PRESENCE IN SOUTH KOREA.

IT IS MOST LIKELY THAT THE KOREA ISSUE WILL BE A MAJOR TOPIC
OF CONVERSATION IN PRIVATE GATHERINGS IN OKINAWA.

THE U.S. FAILURE IN ITS TEST FOR NMD PROGRAM WILL GIVE
RENEWED IMPETUS TO DEBATE ON ITS DESIRABILITY.

POTENTIAL THREATS FROM SMALL NATIONS AND TERRORIST GROUPS
ARE OFFERED BY THE U.S. AS REASONS FOR NMD. BUT IT IS
UNDERSTOOD THAT IT IS AIMED AT FORESTALLING NORTH KOREA'S
NUCLEAR AND MISSILE BID.

ACCORDING TO THE U.S., NORTH KOREA CAN DEVELOP INTER-
CONTINENTAL BALLISTIC MISSILE OUTFITTED WITH NUCLEAR WARHEAD

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BY 2005.

TO NEUTRALIZE THE THREAT, THE U.S. IS BUILDING THE NMD SYSTEM WITH AN INVESTMENT OF \$60 BILLION FOR DEPLOYMENT IN 2005.

BUT TOPPING ALL THESE ISSUES AT THE OKINAWA MEETING IS THE APPEARANCE OF RUSSIAN PRESIDENT PUTIN. IT IS CERTAIN THAT HE WILL STEAL THE SHOW.

PRIOR TO THE OKINAWA G-8 SUMMIT, HE WILL VISIT CHINA AND NORTH KOREA. CHINA, WHICH JAPAN TRIED TO INVITE AS A SPECIAL GUEST TO THE G-8 SUMMIT, IS EXTREMELY REPUGNANT TO THE BOTH NMD AND TMD.

FOR NOW, PRESIDENT KIM DAE-JUNG * AND CHINESE PRESIDENT JIANG ZEMIN HAVE MET WITH THE NORTH KOREAN LEADER, KIM JONG IL. BY THE TIME THE G-8 SUMMIT BEGINS, PUTIN WILL BE THE LEADER WHO WILL HAVE MET HIM MOST RECENTLY.

AMONG THE G-8 LEADERS, HE WILL BE THE ONLY LEADER WHO MET THE NORTH KOREAN LEADER. WHEN THE ISSUE OF THE KOREAN PENINSULA COMES UP, PUTIN WILL HAVE TO TAKE THE CENTER STAGE SINCE HE MET CHINESE PRESIDENT JIANG AND THE NORTH KOREAN LEADER ON HIS WAY TO OKINAWA.

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RUSSIA, CHINA AND NORTH KOREA ARE UNIFORMLY OPPOSED TO THE
HND AND TMD. IT IS SAID PUTIN MAY HAVE TRIED TO GAIN SOME
CONCESSION FROM NORTH KOREA OVER THE MISSILE ISSUE IN ORDER
TO UNDERMINE THE U.S. POSITION ON THE "MISSILE" DEFENSE SYSTEM
AND THE ANTI-BALLISTIC MISSILE AGREEMENT.

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THE BASIS OF THE U.S.'S ASSERTION WITH REGARD TO THE NMD
IDEA IS EQUIVOCAL AND AMBIGUOUS. "THE 2005 THEORY" IS BASED
ON THE LEVEL OF NORTH KOREA'S MISSILE THAT WAS TEST-FIRED IN
1998.

THIS THEORY IS ADDED ON THE PREMISE THAT "IF THE SITUATION
CONTINUES TO GO LIKE THIS." THIS IS BASED ON NOTHING BUT
TECHNICAL ASSUMPTIONS TOTALLY VOID OF POLITICAL AND
ECONOMICAL VARIABLES.

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HOWEVER, NORTH KOREA AGREED TO A MORATORIUM ON TESTS OF LONG-RANGE MISSILES AT NEGOTIATIONS WITH THE U.S. MOREOVER, THE INTER-KOREA SUMMIT WAS HELD, SHOWING SIGNS INDICATING THAT NORTH KOREAN POLICY WOULD UNDERGO A DRASTIC CHANGE.

AS SEEN IN THE PHOTOGRAPHS, EVEN IF NORTH KOREA CONTINUES TO PUSH AHEAD WITH ITS MISSILE AND NUCLEAR DEVELOPMENT, CONDITIONS FOR LAUNCHING THE TAEPODONG MISSILE ARE NOT SYSTEMATICALLY ADEQUATE ENOUGH TO LAUNCH A HIGH EFFICIENCY MISSILE AS THE U.S. HAS CLAIMED.

EVEN IF NORTH KOREA HAS DEVELOPED SUCH A MISSILE, IT IS NEARLY FALSE THAT NORTH KOREA WOULD BE ABLE TO ATTACK THE MAINLAND OF AMERICA WITH INTERCONTINENTAL BALLISTIC MISSILES.

EVEN SOME IN THE U.S. ADMINISTRATION HAVE RAISED AN OBJECTION TO THE THEORY THAT NORTH KOREA WOULD COMPLETELY DEVELOP AN INTERCONTINENTAL BALLISTIC MISSILE BY 2005.

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11. SOFA REVISION TALKS WILL BEGIN EARLY NEXT MONTH: AMB.
BOSWORTH (DAEHAN MAEIL 7/11) (P.2/5)

THE U.S. AND SOUTH KOREA HAVE AGREED TO RESUME SOFA REVISION
TALKS EARLY NEXT MONTH.

U.S. AMBASSADOR STEPHEN BOSWORTH REVEALED THIS IN AN
INTERVIEW WITH THIS DAILY ON JULY 10.

HE SAID ISSUES CONCERNING JURISDICTION AND TRANSFER OF
CRIMINAL SUSPECTS, WHICH SOUTH KOREA IS DISSATISFIED WITH,
WILL BE TACKLED IN ADVANCE.

THE U.S. POSITION IS TO WRAP UP THESE ISSUES AS SOON AS
POSSIBLE.

HE SAID HE IS POSITIVE THAT BOTH SIDES WILL COME TO AN
AGREEMENT, ALTHOUGH HE IS NOT SURE IF IT WILL SATISFY PUBLIC
DEMANDS.

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